

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
:
SEARS HOLDINGS CORPORATION, *et al.*, : Case No. 18-23538 (RDD)
:
Debtors.¹ :
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**OBJECTION OF GREAT EASTERN CORPORATION D/B/A NORTH
RIVER VILLAGE GEC, LLC TO DEBTORS' SUPPLEMENTAL
NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION**

Landlord Great Eastern Corporation d/b/a North River Village GEC, LLC (the “Landlord”), by and through its undersigned attorneys, hereby objects to the Debtors’ Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (ECF No. 1774) (the “Cure Notice”) and in support thereof state:

1. On October 15, 2018 (the “Petition Date”), Debtor filed with this Court its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Code”).
2. Debtor continues to operate and manage its property as debtor in possession pursuant to §§ 1107(a) and 1108 of the Code.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

3. The Landlord is a party to a lease agreement (the “Lease”) with the Debtor for property located at 6126 U.S. Highway 301 N, Ellenton, Florida 34222.

4. On or about January 23, 2019, the Debtor filed the Cure Notice. On Exhibit B-1 to the Cure Notice, the Debtor listed the Landlord with a cure amount of \$4,821.71.

5. Landlord submits that the actual cure amount due under the Lease is \$80,792.28, representing the 2018 Real Estate Tax Reconciliation (“RE Taxes”).

6. A copy of the statement Landlord issued to the Debtor on November 28, 2018 for the RE Taxes is attached hereto as **Exhibit A**.

7. The Landlord objects to any assumption and assignment of the Lease until it receives payment of all amounts that are due and unpaid under the Lease in accordance with 11 U.S.C. § 365.

8. Further, the Lease between Landlord and the Debtor contains certain use and tenant mix restrictions for the shopping center. The Landlord reserves all rights with respect to enforcement of these provisions based on the ultimate proposed purchaser of the Lease.

9. The Landlord reserves the right to supplement this Objection should it become aware of any additional defaults or cure responsibilities of the Debtor.

WHEREFORE, the Landlord respectfully requests the entry of an order pursuant to 11 U.S.C. §365(b)(1) requiring that prior to assuming and assigning the Lease that the Debtor cure the real estate taxes due under the Lease in the amount of \$80,792.28 along with any and all other cure amounts due under the Lease that arise prior to the actual date that the Lease is assumed, along with such other and further relief as is just and proper.

Dated: January 30, 2019

/s/ Lori V. Vaughan
Lori V. Vaughan (LV 4555)
TRENAM, KEMKER, SCHARF, BARKIN,
FRYE, O’NEILL & MULLIS, P.A.

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*Attorneys for Great Eastern Corporation d/b/a
North River Village GEC, LLC*

EXHIBIT A



250 Civic Center Drive, Suite 500
Columbus, OH 43215

KMART CORPORATION
c/o SEARS HOLDINGS CORP
PROPERTY TAX DEPT: B2-110A
3333 BEVERLY ROAD
HOFFMAN ESTATES, IL 60179

Lease ID: 229001-HO3338
Tenant Name: KMART #4893
Property Address: NORTH RIVER VILLAGE GEC, LLC
Suite Number: A
Invoice Date: November 28, 2018
Billing Type: Real Estate Tax Reconciliation
Billing Period: 2018
Total Amount Due: 80,792.28

2018 Tax Expense	80,792.28
Tenant's SF Used in Calc:	94,841
Tenant's Prorata Share	100%
Amount Due Before Any Applicable Cap Cap (if applicable)	80,792.28
Total Due for Period	80,792.28
Occupancy Percentage for Period	100%
Total Amount Due	80,792.28
Prior Estimates Billed	
Total Reconciliation	80,792.28
6.8% Sales Tax	
Total Due	<u>80,792.28</u>

Payment Due Upon Receipt

Please make checks payable to: NORTH RIVER VILLAGE GEC, LLC
Remit payment to: CASTO
PO BOX 1450
COLUMBUS, OH 43216

-If you have any questions regarding the recovery calculation, please place in writing and fax to (614) 744-3649 or send via email to dlemley@castoinfo.com . Any questions relating to the property expenses used in the calculations should be directed to Chris Mueller, Property Manager, at (407) 571-2715 or e-mail cmueller@castoinfo.com.